

COMMUNITY FORUM

Potential Articles to Protect Housing Stock

Adapting from Provincetown Articles

March 4, 2024

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*Sponsored by
Truro Select Board & Truro Planning Board*

- 1) **Welcome/Introduction**
- 2) **Context**
 - **Why & why now (Town Manager)**
 - **Other Towns (Select Board Chair)**
- 3) **Article Discussion – 2 parts to each discussion**
 - **What it currently says – make sure we are all on same page**
 - **Discussion - Comments/Thoughts/Questions/Pros/Cons& more**
- 4) **Draft Articles**
 - **Prohibitions on Short-Term Rentals in units owned by a corporation or subject to an affordable housing restriction**
 - **Limitation on the Number of Short-Term Rentals per Owner**
 - **Ban on Fractional Ownership of Short-Term Rentals**
- 5) **Thoughts on moving forward for ATM 2024**
- 6) **What's Next**
 - **How to provide further input**

GOALS

- **Get feedback from members of the Truro community on 3 draft articles**
- **Get feedback on whether to combine articles 1 & 2**
- **Get feedback on bringing these articles to ATM 2024**

General Bylaw Amendment Prohibitions Related To Short-Term Rental of Residential Properties.

The Basics

- **Creates a General Bylaw defining short term rentals and establishing regulations.**
- **Prohibits short term rentals in dwelling units owned by corporations**
- **Protection for Existing Short-Term Rentals– person or legal entity who holds current Certificate of Registration may continue Short Term Rental**
- **Sets enforcements procedures**

1.2. Definitions.

- **“Corporation”**. All businesses and charitable entities required to file Articles of Incorporation and Annual Reports with the Massachusetts Secretary of State or an equivalent agency of another state
- **“Owner”**. Any person who alone, or severally with others, has legal or equitable title or beneficial interest in any dwelling unit; a mortgagee in possession; or agent, trustee or person appointed by the courts. An Owner can be a single person, a marital unit, a group of people, LLC, or a Trust. The Owner may also be referred to as the operator, or the Host.
- **“Short-Term Rental”**. The rental of a whole or a portion of a residential or secondary dwelling unit, in exchange for payment, as residential accommodations for not more than thirty consecutive days, excluding a Hotel, Motel, or Lodging House or Tourist Home for Transient Guests as defined in Massachusetts General Laws Chapter 64G

1.3 Prohibitions

- 1.3.1 Registration Requirement.** No dwelling unit or part thereof may be offered as a Short-Term Rental within the Town of Truro unless it is registered with the Board of Health & in compliance with regulations issued by the Board of Health & is registered with the Commonwealth of Massachusetts Department of Revenue
- 1.3.3 Corporate Ownership.** Short-Term Rentals (STR) are prohibited in dwelling units owned by a Corporation. STR are permitted in dwelling units owned by an LLC, Trust, or S Corporation only when every shareholder, partner, or member of the legal entity is a natural person, as established by documentation provided by the applicant at the time of registration.
- 1.3.4 Affordable Housing Dwelling Units.** Short-Term Rentals are prohibited in dwelling units designated as affordable or otherwise income-restricted, which are subject to an affordability restriction or are otherwise subject to housing or rental assistance under local, state, or federal programs or law.

1.3.5. Time Share, Fractional and Interval Ownership Units. No Fractional Ownership, Interval or Time Share unit may engage in Short-Term Rental activities or be eligible to receive a Certificate of registration for such unit; except that this section shall not apply to the creation of mortgages, liens, easements or other similar interests encumbering the residential property as a whole to secure a loan or for any other legitimate purposes; and this section shall not apply to non-commercial groups, such as families, partnerships, associations, or trusts with divided interests or agreements in which the real estate is held and transferred within the family, partnership, association or trust, as opposed to sold in fractional or divided interests on the open market.

1.3.6. Protection for Existing Short-Term Rentals. Any person or other legal entity who holds a current Certificate of Registration on the effective date of this bylaw may continue to engage in Short-Term Rentals in accordance with the existing Certificate of Registration, until the dwelling unit is transferred or conveyed, or the certificate of registration is not renewed. If a property is bequeathed to a person or other beneficiary through a will, the new owner may continue to engage in Short-Term Rental activities in accordance with this section.

1.4 Regulations and Fees.

1.4 Regulations and Fees. The Select Board may promulgate regulations to carry out and enforce the provisions of this bylaw and to regulate long-term and long-term rentals, and may set fees for the issuance of Certificates of Registration for Short-Term Rentals.

1.5 Penalties & Enforcement

1.5.1 Enforcement Options. Whoever violates any provision of this bylaw, or a regulation promulgated hereunder may be penalized by indictment or on complaint brought in the district court. The Town may seek to enjoin violations thereof through any lawful process, and the election of one remedy by the Town shall not preclude enforcement through any other lawful means.

1.5.2 Non-Criminal Disposition. Whoever violates any provision of this bylaw, or a regulation promulgated hereunder may be penalized by a noncriminal disposition process as provided in Massachusetts General Laws, Chapter 40, section 21D and the Town's non-criminal disposition by-law (Chapter 2). If non-criminal disposition is elected, then any person who violates any provision of this bylaw or regulation shall be subject to a penalty in the amount of \$100 for the first offense; \$200 for the second offense; & \$300 for a third & subsequent offense. Each day or portion thereof shall constitute a separate offense. The Board of Health or its agent, or any police officer of the Town, shall be the enforcing authority.

1.5.3 Suspension of Certificate of Registration.

If a notice of violation of this bylaw or any regulation promulgated hereunder or other order is issued to the Owner of a dwelling unit operated as a Short-Term Rental by the Board of Health or its designee, after a Certificate of Registration is issued, the Board of Health, after a hearing, may suspend for a period of time determined by the Board of Health or revoke said Certificate of Registration until the violation has been cured or otherwise resolved. Multiple violations by any Owner may, at the discretion of the Board of Health and after a hearing, disqualify that Owner from obtaining a Certificate of Registration for a period of up to 3 years

1.5.4 Civil Penalty. In accordance with G.L. c. 64G, §14(v), the Town may assess a civil penalty not to exceed \$5,000 for any violation of this bylaw or a regulation issued hereunder. Each day a violation continues shall be considered a separate offense.

General Bylaw Amendment Limit Number of Short-Term Rentals Per Owner

The Basics

- **Creates a General Bylaw limiting any owner to 2 short term rentals**

What Both Articles Do Not Do

- **Limit total number of Short-Term Rentals**

1.3.2 Limitation on Number of Short-Term Rentals.

- An Owner may register to operate only 2 dwelling units as Short-Term Rentals.
- If a person owns or is listed as a manager and/or is an agent for four or more dwelling units, that person must choose only three units to be registered as Short-Term Rentals.
- No person shall have more than three legal or equitable title or beneficial interest in dwelling units used for Short-Term Rentals except as provided for above.
- An Owner may hire a property management company to list and manage Short-Term Rentals, but the registration must be in the Owner's name.

Owner as defined in prior article can be a single person, a marital unit, a group of people, LLC, or a Trust. The Owner may also be referred to as the operator, or the Host.

QUESTION?

Should the 2 articles addressing Short Term Rental limitations be kept as is or combined into 1 article?

Zoning Bylaw Amendment

Ban on use of any dwelling unit in the Town as a fractional ownership, interval or time share unit

The Basics

- **Defines Time Share, Interval or Fractional Ownership**
- **Prohibits these in all districts in Truro**
 - **Does not apply to non-commercial groups which are explained/ identified**

Definition

Time Share, Interval or Fractional Ownership Unit.

- Any Dwelling Unit which is owned by a limited liability company, corporation, partnership, or other joint ownership structure in which
- unrelated persons or entities own, sell, purchase or otherwise for consideration create or acquire any divided property interest including co-ownership or fractional or divided estates, shares, leaseholds, or memberships
- which are subject to, or subsequently bound by any agreement limiting the right or functional ability of interest holders or their designees to occupy or use the property to their respective interests
- or any other agreement which limits interest holders' or their designees' use of the property to fractional reservations through stay limitations of any duration

Such use is established by any of the following elements:

- 1. co-ownership or fractional or divided estates, shares, leaseholds, or memberships which are openly advertised, marketed, or offered for sale and sold individually at separate times.**
- 2. centralized or professional management.**
- 3. reservation systems.**
- 4. maximum or minimum day limits on each interest holder's occupancy or use of the property; or**
- 5. management agreements or fees reflective of interval use or ownership, irrespective of whether the agreement may be cancelled individually or by any party.**

3. Prohibition of fractional ownership, interval, and time share units.

The use of any dwelling unit in the Town as a fractional ownership, interval or time share unit is prohibited in all zoning districts.

a. Exceptions.

- 1. This section shall not be deemed to preclude the creation of mortgages, liens, easements or other similar interests encumbering the residential property as a whole to secure a loan or for any other legitimate purposes.**

- 2. This section shall not apply to non-commercial groups, such as families, partnerships, associations, or trusts with divided interests or agreements in which the real estate is held and transferred within the family, partnership, association or trust, as opposed to sold in fractional or divided interests on the open market.**

WHAT'S NEXT?

Draft Articles Revised

- **Because these are Select Board articles there is still time for revisions**

Zoning Article Referred to Planning Board for required Public Hearing

**TO PROVIDE FURTHER INPUT
PLEASE EMAIL BARBARA CARBONI
TRURO TOWN PLANNER
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**SUBJECT LINE:
Community Forum March 4, 2024**

THANK YOU!